

HCS SB 521 -- PUBLIC WORKS CONTRACTS

SPONSOR: Gross (Byrd)

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 10 to 8.

This substitute prohibits public entities and persons acting on behalf of public entities from requiring bidders and contractors on public works construction projects to obtain surety bonds from specific insurance or surety companies.

The substitute also establishes the Open Contracting Act. The state and political subdivisions when procuring products, letting contracts, issuing grants, or entering into cooperative agreements for construction of public works are prohibited from:

- (1) Requiring contractors to enter into or adhere to agreements with one or more labor organizations on the same or related projects or prohibiting contractors from doing the same;
- (2) Discriminating against contractors for refusing to become or remain signatories or otherwise adhere to agreements with one or more labor organizations on the same or related contracts; and
- (3) Requiring any contractor to enter into any agreement that requires its employees to become members of or affiliated with a labor organization.

An interested party, including a bidder, contractor, or taxpayer, may challenge any bid specification, project agreement, controlling document, grant, or cooperative agreement in violation of this law and will be awarded costs and attorney fees if a challenge succeeds.

FISCAL NOTE: Cost to General Revenue Fund of Less than \$100,000 in FY 2004, FY 2005, and FY 2006.

PROPOSERS: Supporters say that the bill eliminates discrimination in public construction contracts, saves taxpayers money, and restricts project labor agreements from requiring unions; that project labor agreements are often used as political paybacks; that women-owned and minority-owned businesses are often not affiliated with labor unions; and that contracts would go to the lowest responsible bidder.

Testifying for the bill were Senator Gross; and Associated General Contractors of Missouri.

OPPOSERS: There was no opposition voiced to the committee.

Julie Jinkens McNitt, Legislative Analyst